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44,524
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Transmittal Form PTO/SB/21 1 page

Office Action Amendment/Response 25 pages

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TRANSMITTAL FORM

(to be used for all correspondence after initial filing)

Total Number of Pages in This Submission	26

Application Number	09/774,147
Filing Date	01/30/01
First Named Inventor	James Martin Billings
Art Unit	3624
Examiner Name	Narayanswamy Subramanian
Attorney Docket Number	88L

ENCLOSURES *(Check all that apply)*

- ☐ Fee Transmittal Form
  - ☐ Fee Attached
- ☑ Amendment/Reply 25 pages
  - ☐ After Final
  - ☐ Affidavits/declaration(s)
- ☐ Extension of Time Request
- ☐ Express Abandonment Request
- ☐ Information Disclosure Statement
- ☐ Certified Copy of Priority Document(s)
- ☐ Reply to Missing Parts/ Incomplete Application
  - ☐ Reply to Missing Parts under 37 CFR 1.52 or 1.53
- ☐ Drawing(s)
- ☐ Licensing-related Papers
- ☐ Petition
- ☐ Petition to Convert to a Provisional Application
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- ☐ Appeal Communication to TC (Appeal Notice, Brief, Reply Brief)
- ☐ Proprietary Information
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- ☐ Other Enclosure(s) (please identify below):

Remarks

SIGNATURE OF APPLICANT, ATTORNEY, OR AGENT

Firm Name	James Addison Barry, Jr.		
Signature	James Addison Barry, Jr.		
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Date	24 June 2005	Reg. No.	44,524

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Typed or printed name	James Addison Barry, Jr.	Date	24 June 2005

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Serial No.: 09/774,147

Applicant: James Martin Billings

Filed: 01/30/2001

Group Art Unit: 3624

Examiner: Narayanswamy Subramanian

For: A METHOD AND SYSTEM FOR PROVIDING DOWNSIDE PROTECTION OF STOCK MARKET INVESTMENTS

Mail Stop Non-Fee Amendment
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

In response to the Office Action dated March 25, 2005, having a shortened-statutory response period extending through and including June 24, 2005, please enter the attached amended claims, and consider the following remarks:

Introductory Comments:

This application has been carefully reviewed in light of the Office Action of March 25, 2005, wherein:

A) Claim Rejections - 35 USC §112: Claims 4-8 were rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. In claim 4 the phrase "is capable of" is vague and ambiguous. Similarly in claim 5 the phrase "being operative for" is vague and ambiguous. The Examiner stated that corrections were required. In claims 5-8, the Examiner stated that it is not

clear if the term "system" refers to a "method" or an "apparatus". He stated that clarification is required.

B) Claim Rejections - 35 USC § 103: Claims 1 and 3-7 were rejected under 35 U.S.C. 103(a) as being unpatentable over Kane (US Patent 6,317,728 Bl) in view of Gutterman et al (US Patent 5,297,031).

The examiner stated that with reference to claims 1, 4 and 5, Kane teaches a method and system for providing downside protection of stock market investments for managing an investment portfolio by an automated data processing system having a memory with an input device connected with the automated data processing system, the method comprising the steps of entering a name of a security into the automated data processing system through the input device (See Kane Column 1 lines 4-14); storing the name of the security in the memory (See Kane Column 1 lines 4-14); entering a buy price of the security into the automated data processing system through the input device (See Kane Column 1 lines 4-14); storing the buy price of the security in the memory as the high value (See Kane Column 1 lines 4-14); linking the automated data processing system by a data link to current stock information (See Kane Column 2 lines 31-34); reading a market price of the security from the current stock information (See Kane Column 2 lines 31-34); comparing the market price of the security to the high value (See Kane Column 2 lines 31-34); comparing the sell threshold price to the market price, and executing a sell event when the market price is below the sell threshold price (See Kane Column 2 lines 31-34) and repeating the linking steps until the sell event occurs (See Kane Column 2 lines 46-50). A computer-readable medium having imprinted therein a computer program containing instruction steps such that upon installation of the computer program in a general-purpose computer for performing the method above is inherent in the disclosure of Kane.

The Examiner further stated that Kane does not explicitly teach a trailing stop loss order processing which includes the steps of entering a stop loss percentage for the security into the automated data processing system through the input device,

storing the stop loss percentage for the security in the memory, when the market price of the security exceeds the high value, setting the high value equal to the market price of the security to generate a new high value, storing the new high value for the security in memory as the high value, multiplying the stop loss percentage by the high value and subtracting the resulting product from the high value to generate a sell threshold price, and repeating the steps of setting new high value through generating a sell threshold price till the sell event occurs.

The Examiner stated that Gutterman teaches a trailing stop loss order which includes the steps of entering a stop loss percentage for the security into the automated data processing system through the input device, storing the stop loss percentage for the security in the memory, when the market price of the security exceeds the high value, setting the high value equal to the market price of the security to generate a new high value, storing the new high value for the security in memory as the high value, multiplying the stop loss percentage by the high value and subtracting the resulting product from the high value to generate a sell threshold price, and repeating the steps of setting new high value through generating a sell threshold price till the sell event occurs (See Gutterman Column 4 lines 1-5).

The Examiner also stated that both Kane and Gutterman are concerned with managing trading of securities for customers. It would have been obvious to one with ordinary skill in the art at the time of the current invention to include the teaching of Gutterman to the invention of Kane. The combination of the disclosures taken as a whole suggests that customers would have benefited from being able to gain as much as possible from a major move upward move while making certain that they can probably lose back only a little of the gain.

The Examiner stated that with reference to claim 3, Kane teaches the step wherein the sell event further includes printing a summary of the sell information (See Kane Column 2 lines 46-50).

The Examiner further stated that with reference to claims 6 and 7, Kane teaches the means for automatically selling the security when the sell event occurs (See Kane Column 2 lines 46-50) and a data link connected to provide current stock

information for entering the current market price (See Kane Column 1 lines 4-24 and Column 2 lines 30-50).

C) Claims 2 and 8 were rejected under 35 U.S.C. 103(a) as being unpatentable over Kane (US Patent 6,317,728 B1) in view of Gutterman et al (US Patent 5,297,031) and further in view of Reference U.

The Examiner stated that Kane and Gutterman teach a method and system of claims 1 and 5 as discussed above including the steps of entering a maximum stop loss amount into the automated data processing system through the input device, the maximum stop loss amount representing a maximum amount for the security to decrease from the high value at which point the security should be sold and storing the maximum stop loss amount in the memory (See Kane Column 2 lines 30-50 and Gutterman Column 4 lines 1-5).

The Examiner further stated that Kane and Gutterman do not explicitly teach the step of comparing the stop loss percentage multiplied by the high value to the maximum stop loss amount, and when the stop loss percentage multiplied by the high value exceeds the maximum stop loss amount, the maximum stop loss amount is used to generate the sell threshold price.

The Examiner also stated that Reference U teaches the step of setting a limit on the maximum possible loss without setting a limit on the maximum possible gain for an investor (See Reference U). This step is interpreted to include the step of comparing the stop loss percentage multiplied by the high value to the maximum stop loss amount, and when the stop loss percentage multiplied by the high value exceeds the maximum stop loss amount, the maximum stop loss amount is used to generate the sell threshold price.

The Examiner stated that Kane, Gutterman and Reference U are concerned with managing trading of securities for customers. It would have been obvious to one with ordinary skill in the art at the time of the current invention to include the disclosures of Reference U and Gutterman to the invention of Kane. The combination of the disclosures taken as a whole suggests that customers would have benefited from being able to gain as much as possible from a major move

upward move while making certain that they can probably lose back only a little of the gain.